

**LD 1695, "An Act to Provide for the Direct Shipment  
of Spirits to Consumers"**

**Joint Standing Committee on Veterans and Legal Affairs**  
**April 24, 2023**

Senator Hickman, Representative Supica and Distinguished Members of the Joint Standing Committee on Veterans and Legal Affairs:

I am Senator Trey Stewart; and I represent District 2, which includes several communities in Aroostook and Penobscot Counties. I am here today to present LD 1695, "*An Act to Provide for the Direct Shipment of Spirits to Consumers.*"

LD 1695 allows for the direct shipment of spirits to consumers (DTC) in Maine and builds upon LD 1358 and its subsequent report from last session. I understand you will be hearing the results of the LD 1358 report following the public hearing on this measure. I bring this legislation before you to allow Maine consumers choice and to provide the same privileges that our small distillers have in their tasting rooms by allowing them to direct ship across the state.

While 47 states, including Maine, allow the direct shipment of wine straight from winemakers to consumers, only 11 states currently allow distillers to ship their products directly to consumers. Because of the work that has been done previously, LD 1695 is our opportunity to provide a controlled pathway to allow direct shipment of spirits for in-state and out-of-state spirits manufacturers.

This policy is good for consumers, good for small businesses; and I believe can work within Maine's control state system. Building upon the work done by this Committee the last two years as we explored this topic, LD 1695 intends to work within the control state system by:

1. Requiring that all DTC sales to remit to the State equivalent revenue, as per existing practice for in-state distilleries and per the Pine State/BABLO pricing formula;
2. Cap out-of-state distilleries to 200 cases and of unlisted product – so this remains a niche pathway to market for unique products or small businesses in other states; and
3. Requires participation in the bottle bill, like in-state distilleries.

As I have reviewed the Revisor's Office draft of LD 1695, they relied heavily on the DTC wine statute. We believe a few amendments will be needed to try and fully capture the state pricing formula remittance structure; but, as you know, that is not in statute. We are looking at work done last year to make sure we fully capture that concept; however, we believe this is something the Committee can accomplish and I look forward to working with you to make this happen.

Our goal with this legislation is to allow our in-state distillers to do what they have been doing in their tasting room across the state and provide an on-ramp to the State for other small businesses and unique products. This legislation is not meant to subtract from the State's control system for spirits.

You will likely hear concerns today about enforcement and the need to protect the historic three-tier system that we have had since prohibition. However, we have had DTC wine for nearly two decades; and consumers already can access spirits DTC sales in our in-state distilleries' tasting rooms. We can do both – provide revenue to the state and provide a new pathway for our small distilleries. Now is the time to be proactive on how we move our state control system into this century and give small businesses and consumers greater choice through direct-to-consumer sales.

Thank you for your time and thoughtful consideration.